



# Guideline

## Sales Tax Orthopedic Supply Stores

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Tax Commissioner

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### Exempt Sales

Sales of artificial devices individually designed, constructed or altered solely for the use of a physically disabled person so as to become a brace, support, supplement, correction or substitute for the bodily structure, including the extremities of the individual are exempt from sales tax.

- a) Trusses, supports, shoe braces and mastectomy bras are exempt only when specifically fitted or altered to fit a particular person.
- b) Artificial limbs, artificial eyes, hearing aids (hearing aid batteries sold separately are taxable), artificial breast forms, pacemakers and other equipment worn as a correction or substitute for any functioning portion of the body are exempt. Replacement straps and clamps are taxable.
- c) Artificial teeth when sold by a dentist, or eyeglasses when prescribed or designed by an ophthalmologist, physician, oculist or optometrist for the personal use of the owner are exempt.
- d) Crutches and wheelchairs for the use by physically disabled persons are exempt. Canes, walking sticks, crutch tips, pads and replacement parts for crutches and wheelchairs are taxable.
- e) The sale or rental of medical equipment or other equipment is generally taxable, even if prescribed by a doctor unless exempted by a specific sales tax statute.

It is essential that artificial devices sold under this exemption be individually designed for a specific person; they may not be ready-made articles which are designed in a variety of styles and sizes.

### Diabetic, Bladder Dysfunction and Ostomy Supplies

The sales of diabetic, bladder dysfunction and ostomy equipment and supplies are exempt.

- a) Insulin, diabetic equipment and supplies (hypodermic syringes and needles) and sugar (urine and blood) testing equipment and materials purchased by diabetics are exempt.
- b) Bladder dysfunction, ostomy equipment and supplies used in bladder dysfunction and ostomy care including, but are not limited to, ostomy bags, discs, tubes and belts, cements and removers, powders, germicides, incontinent pads and adult diapers are exempt.

### Equipment Used to Modify Articles for Use by Physically Disabled Persons

Equipment used to modify a motor vehicle for use by a permanently physically disabled persons, equipment which may be attached to real property for use by a permanently physically disabled person in that person's principal dwelling, or equipment including manual control units for attaching to or modifying motorized farm implements is exempt.

21810

## **Materials Subject to Use Tax**

Materials and items which are used or consumed in the process of manufacturing artificial limbs are subject to tax. If the materials become an integral part of the final product, they are exempt from use tax since they are part of a product which is ultimately sold at retail.

When purchasing items for final use from suppliers who hold a North Dakota sales and use tax permit, sales tax should be paid directly to the supplier. If the items are purchased from a supplier who did not collect North Dakota sales or use tax, the purchaser should include the cost of the purchases on the *Items Subject to Use Tax* line of the North Dakota sales and use tax return and remit the use tax directly to the Office of State Tax Commissioner.